

United States Senate  
WASHINGTON, DC 20510

FOR IMMEDIATE RELEASE  
MONDAY, JANUARY 25,

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**McCain - BURNS BILL PROMOTES COMPETITION  
IN MULTICHANNEL VIDEO MARKETPLACE**

WASHINGTON, D.C. -- Senator John McCain (R-AZ), Chairman of the Committee on Commerce, Science, and Transportation, and Senator Conrad Burns (R-MT), Chairman of the Communications Subcommittee, today introduced the Satellite TV Act of 1999, to correct problems that satellite TV customers now face in getting access to network TV programming and to help satellite TV compete with cable.

Litigation between network TV stations and a satellite TV company has resulted in a court decision that could cause millions of satellite TV subscribers throughout the country to lose their network TV stations early this year. The McCain bill would override the court's decision and allow satellite TV to carry distant network stations in three situations: when a local network affiliate doesn't exist, when a local affiliate can't be received off-air, or when carriage of the distant signals will not cause local stations any significant loss of revenue. The bill directs the Federal Communications Commission (FCC) to complete a rulemaking within 180 days of enactment to determine the extent to which DBS subscribers who currently get distant network signals may continue to do so without hurting local television service.

During those 180 days, satellite TV subscribers located at a greater distance from the local stations would be permitted to continue carrying the distant network stations they currently offer. Those located close to the core of the local station's market would be subject to having their distant network stations withdrawn by the broadcasters' enforcement of the court decision.

The bill also resolves how-satellite TV companies can provide local TV stations to their customers which is the biggest obstacle satellite TV faces in competition with cable TV. Since 1996, cable TV rates have spiraled up four times faster than the Consumer Price Index, and most existing cable rate regulation is set to expire by law March 31.

"The bill ensures that no satellite TV subscriber is suddenly deprived of network TV stations," McCain said. "Without effective competition to hold down cable rate increases? cable TV consumers may find themselves at the mercy of rate increases imposed at will by an unregulated provider of a monopoly service."

"Cable rates have continued to soar, and the FCC's attempts to regulate cable rates have failed. The most effective check on cable's pricing power is competition, and this bill would put satellite on a more level playing field with cable," Burns said. "This legislation attempts to strike a fair compromise between the warring corporate interests of the satellite and broadcast TV industries, and it is especially important for the 30% of consumers that rely on DBS in my state."

This legislation would work in tandem with another bill introduced by Senator Orrin Hatch (R-UT) on last Wednesday which amends the Satellite Home Viewers Act to give satellite TV providers the copyright license they need to offer their subscribers local TV stations;\_

Last September McCain introduced S.2494, the Multichannel Video Competition Act of 1998, which died in Committee. It focussed on the same problems the Satellite TV Act of 1999 addresses.

summary attached)

## SUMMARY OF SATELLITE TV ACT INTRODUCED JANUARY 25, 1999

DBS providers must comply with must-carry rules on January 1, 2002.

On the white area problem:

- The FCC is directed to complete a rulemaking within 180 days of enactment that will determine whether, and to what extent, DBS subscribers who *currently* receive distant network signals may continue to do so without hurting local television service.

- In this rulemaking the FCC must also determine whether, and to what extent, program exclusivity rules should apply to carriage of these distant network signals.

- These rules must be affirmatively voted on by at least two-thirds of the members of the Commission.

Pending completion of the rulemaking

- DBS providers who offer distant network signals to ineligible subscribers in the Grade B contour can keep carrying the stations until the completion of the rulemaking.

Retransmission consent provisions from prior draft remain the same.

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